

1 AN ACT to amend the Religious and Charitable Risk Pooling 42  
2 Trust Act by changing Sections 2, 6, and 15. 44

3 Be it enacted by the People of the State of Illinois, 48  
4 represented in the General Assembly: 49

5 Section 5. The Religious and Charitable Risk Pooling 52  
6 Trust Act is amended by changing Sections 2, 6, and 15 as 54  
7 follows:

8 (215 ILCS 150/2) (from Ch. 148, par. 202) 57

9 Sec. 2. Authorized organizations; purpose. Any number 59  
10 of organizations which are all exempt from taxation under 61  
11 paragraph (3) subsection-3 of subsection paragraph (c) of 63  
12 Section 501 of the Internal Revenue Code of 1954 as amended 64  
13 or as it may be amended hereafter are authorized to establish 66  
14 and become beneficiaries of a trust fund for the purpose of: 67  
15 (1) providing protection for themselves against the risk of 68  
16 financial loss due to damage, destruction or loss to property 69  
17 or the imposition of legal liability; or (2) providing  
18 protection for their employees or full-time students, but not 70  
19 dependents, against the risk of financial loss due to 72  
20 accident, sickness, or disablement. Any of such  
21 organizations' affiliated title holding corporations that are 73  
22 exempt from taxation under paragraph (2) of subsection (c) of 74  
23 Section 501 of the Internal Revenue Code of 1954, as amended 76  
24 or as it may be amended hereafter, are authorized to 77  
25 establish or become beneficiaries of a trust for the purpose  
26 of providing protection for themselves against the risk of 78  
27 financial loss due to damage, destruction, or loss to 79  
28 property or the imposition of legal liability. 80

29 A hospital or long-term care facility owned and operated 82  
30 by a tax exempt unit of local government and such unit of 83  
31 local government, in relation to and to the extent of its 84

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1 liabilities arising from the ownership or operation of such 85  
2 hospital or long-term care facility, may participate in the 86  
3 establishment of and may become beneficiaries of a trust fund 87  
4 established under this Act for the purpose of providing  
5 protection against the risk of financial loss due to the 88  
6 imposition of legal liability.  
7 (Source: P.A. 88-364.) 90

8 (215 ILCS 150/6) (from Ch. 148, par. 206) 93

9 Sec. 6. Risk pools; risk retention groups. 95

10 (a) A trust fund may enter into written agreements with 98  
11 other trust funds established under this Act whereby the  
12 risks assumed by any such trust fund may be pooled and shared 99  
13 with such other trust funds. 100

14 (b) A trust fund may enter into written agreements for 102  
15 the purpose of assuming risks from (i) risk pools or risk 103  
16 retention groups established or organized pursuant to the 104  
17 laws of any other state exclusively to provide protections, 105  
18 as described in this Act, to organizations which are exempt 106  
19 from taxation under paragraph subsection (3) of subsection 108  
20 paragraph (c) of Section 501 of the Internal Revenue Code, as 109  
21 amended from time to time, and their affiliated title holding 110  
22 corporations that are exempt from taxation under paragraph  
23 (2) of subsection (c) of Section 501 of the Internal Revenue 111  
24 Code of 1954, as amended from time to time, or (ii) insurance 113  
25 companies with regard to protections, as described in this 114  
26 Act, exclusively for organizations which are exempt from 115  
27 taxation, as aforesaid. As a condition to such authority, 116  
28 any trust fund so assuming risk from any risk pool, risk 117  
29 retention group or insurance company, shall, directly or 118  
30 through an underwriting manager controlled by it, underwrite  
31 risks assumed by it either on a facultative basis or on a 119  
32 primary basis pursuant to an underwriting management 120  
33 agreement with the entity from which risk is being assumed. 121

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1 Such underwriting management agreement shall provide for 122  
 2 underwriting risks assumed on behalf of both the ceding  
 3 entity and the assuming trust fund. For purposes of this 123  
 4 subsection (b), the term "underwrite" shall include, but not 124  
 5 be limited to, classification, selection and pricing of 125  
 6 risks.  
 7 (Source: P.A. 85-131; 85-329.) 127

8 (215 ILCS 150/15) (from Ch. 148, par. 215) 130  
 9 Sec. 15. Ineligible beneficiaries. A beneficiary is 132  
 10 ineligible (1) if it is not exempt from taxation under 134  
 11 paragraph (3) subsection-3 of subsection (c) paragraph-(c) of 135  
 12 Section 501 of the Internal Revenue Code of 1954 as amended, 136  
 13 or an affiliate of a corporation exempt from taxation under 137  
 14 paragraph (3) of subsection (c) of Section 501 of the 138  
 15 Internal Revenue Code, as amended, and exempt from taxation  
 16 under paragraph (2) of subsection (c) of Section 501 of the 139  
 17 Internal Revenue Code of 1954, as amended, or tax exempt as a 140  
 18 unit of local government or as a hospital owned and operated 141  
 19 by a unit of local government or; (2) if a corporation, it is 143  
 20 not incorporated as a not-for-profit corporation; or, (3) if  
 21 a foreign or alien corporation, it no longer has a 145  
 22 Certificate of Authority issued by the Secretary of State. 146  
 23 (Source: P.A. 81-602.) 148

24 Section 99. Effective date. This Act takes effect upon 151  
 25 becoming law.

APPROVED

this 20th day of July 20 01 A.D.,  
George H. Ryan  
 GOVERNOR

Michael G. Madigan  
 Speaker, House of Representatives  
John Philip  
 President of the Senate

